

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

SONTERRA CAPITAL MASTER FUND, LTD;  
HAYMAN CAPITAL MANAGEMENT, L.P.; and  
CALIFORNIA STATE TEACHERS' RETIREMENT  
SYSTEM, on behalf of themselves and all others similarly  
situated,

Plaintiffs,

- against -

UBS AG, UBS SECURITIES JAPAN CO. LTD.;  
MIZUHO BANK, LTD.; THE BANK OF TOKYO-  
MITSUBISHI UFJ, LTD.; THE SUMITOMO TRUST  
AND BANKING CO., LTD.; THE NORINCHUKIN  
BANK; MITSUBISHI UFJ TRUST AND BANKING  
CORPORATION; SUMITOMO MITSUI BANKING  
CORPORATION; RESONA BANK, LTD.; J.P.  
MORGAN CHASE & CO.; JPMORGAN CHASE  
BANK, NATIONAL ASSOCIATION; J.P. MORGAN  
SECURITIES PLC; MIZUHO CORPORATE BANK,  
LTD.; DEUTSCHE BANK AG; DB GROUP SERVICES  
UK LIMITED; MIZUHO TRUST AND BANKING CO.,  
LTD.; THE SHOKO CHUKIN BANK, LTD.; SHINKIN  
CENTRAL BANK; THE BANK OF YOKOHAMA,  
LTD.; SOCIÉTÉ GÉNÉRALE SA; THE ROYAL BANK  
OF SCOTLAND GROUP PLC; THE ROYAL BANK OF  
SCOTLAND PLC; RBS SECURITIES JAPAN  
LIMITED; RBS SECURITIES INC.; BARCLAYS  
BANK PLC; BARCLAYS PLC; BARCLAYS CAPITAL  
INC.; CITIBANK, NA; CITIGROUP, INC.; CITIBANK,  
JAPAN LTD.; CITIGROUP GLOBAL MARKETS  
JAPAN, INC.; COÖPERATIEVE CENTRALE  
RAIFFEISEN-BOERENLEENBANK B.A.; HSBC  
HOLDINGS PLC; HSBC BANK PLC; LLOYDS  
BANKING GROUP PLC; LLOYDS BANK PLC; ICAP  
PLC; ICAP EUROPE LIMITED; R.P. MARTIN  
HOLDINGS LIMITED; MARTIN BROKERS (UK)  
LTD.; TULLETT PREBON PLC; BANK OF AMERICA  
CORPORATION; BANK OF AMERICA, N.A.;  
MERRILL LYNCH INTERNATIONAL  
INCORPORATED; AND JOHN DOE NOS. 1-50,

Defendants.

Docket No. 15-cv-5844 (GBD)

**DECLARATION OF GAVIN A. FRANCIS**

INTERNAL

I, Gavin A. Francis, declare and state as follows under penalty of perjury:

1. I am Deputy Group Chief Accounting Officer for HSBC Holdings plc, the parent company of HSBC Bank plc, as well as many other entities.

2. In my capacity as Deputy Group Chief Accounting Officer, I have personal knowledge of the matters set forth herein and believe them to be true and correct based on: (a) my work for HSBC Holdings plc, and (b) my review, or someone else's review at my direction, of relevant business records.

3. As set forth in HSBC Holdings plc's Annual Report and Accounts 2014, available at <http://www.hsbc.com/investor-relations/financial-and-regulatory-reports> (Note 11 on the Financial Statements, "Segmental Analysis"), in 2014, approximately 44% of HSBC Holdings plc's external net operating income (before loan impairment charges and other credit risk provisions), attributable to countries on the basis of the location of the subsidiary or branch responsible for reporting the results or advancing the funds, was derived from the United Kingdom and Hong Kong. Approximately 91% of HSBC Holdings plc's external net operating income (before loan impairment charges and other credit risk provisions) was derived from outside of the United States in 2014. Through June 30, 2015, 88% of HSBC Holdings plc's external net operating income was derived from outside of North America. See HSBC Holdings plc's Interim Report 2015, available at <http://www.hsbc.com/investor-relations/financial-and-regulatory-reports> (Note 5 on the Financial Statements, "Segmental Analysis"). While HSBC Holdings plc's Annual Report for 2015 is not yet available, HSBC Holdings plc does not expect any material change in the percentage of its external net operating income derived from outside of the United States in 2015.

4. As set forth in HSBC Bank plc's Annual Report and Accounts 2014, available at [https://www.hsbc.co.uk/1/PA\\_esf-ca-app-content/content/pws/content/personal/pdfs/hbeu-2014-ara-final-online.pdf](https://www.hsbc.co.uk/1/PA_esf-ca-app-content/content/pws/content/personal/pdfs/hbeu-2014-ara-final-online.pdf) (Note 10 on the Financial Statements, "Segment Analysis"), in 2014, approximately 74% of HSBC Bank plc's external net operating income (before loan impairment charges and other credit risk provisions), attributed to countries on the basis of customer location, was derived from the United Kingdom. Only approximately 3.9% of HSBC Bank plc's external net operating income (before loan impairment charges and other credit risk provisions) was attributable to "Other countries" (countries other than the United Kingdom, France, Switzerland, Germany, and Turkey), including the United States, in 2014. This is consistent with 2013 numbers, which indicate 3.5% of HSBC Bank plc's external net operating income was attributable to "Other countries" (countries other than the United Kingdom, France, Switzerland, Germany, and Turkey), including the United States. *See id.* While HSBC Bank plc's Annual Report for 2015 is not yet available, HSBC Bank plc does not expect any material change in the percentage of its external net operating income attributable to "Other countries," including the United States, in 2015.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge and belief.

Executed in London on January 29 2016.




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**GAVIN A. FRANCIS**  
Deputy Group Chief Accounting Officer  
HSBC Holdings plc